

Informal Working Draft and Request for Informal Comments on Pet Insurance Rule
Texas Administrative Code, Title 28, Chapter 5, Subchapter F, Section 5.5002

Comments due: October 8, 2020

The Texas Department of Insurance (TDI) has prepared an informal working draft of an amendment to 28 Texas Administrative Code §5.5002. The amendment would classify pet insurance as inland marine insurance and allow insurers to sell it through individual or group policies. The amendment would also designate pet insurance as a "non-regulated" class of inland marine, which means that rules, rates, and forms would not be subject to filing requirements or uniform standards of application.

Under Insurance Code §2301.005 and §2251.004, the Commissioner has authority to determine the classification of risks that constitute inland marine insurance and to adopt rules for inland marine forms and rates.

This informal posting is intended to gather comments from stakeholders and the general public. It is not a formal publication for rulemaking.

Informal Draft

Although pet insurance represents a small fraction of the property and casualty insurance market, it is growing and becoming popular as an employer-offered benefit. Pet owners buy this insurance to help manage the cost of veterinary bills.

Pet insurance is commonly considered a type of inland marine insurance, but it is currently regulated as a miscellaneous kind of property and casualty insurance that cannot be sold through group policies. Amending §5.5002 will recognize pet insurance as inland marine and allow both individual and group pet insurance policies.

Inland marine products are designated as "filed" or "non-regulated" in §5.5002. Pet insurance forms and rates are currently filed with TDI. The amended rule would designate pet insurance as "non-regulated," meaning that rules, rates, and forms will not need to be

filed. This will help ensure a level playing field among insurers, because Lloyd's plans, reciprocals, and interinsurance exchanges are not required to file inland marine forms or rates.

TDI is considering adding subpart (QQ) to §5.5002(5). Section 5.5002 defines and classifies inland marine insurance. New subpart (QQ) would read:

(QQ) Pet insurance (non-regulated). Individual or group insurance policies covering veterinary expenses for pet illness or injury.

You can view the full text of the current rule at this link: [§5.5002](#)

Public Comment

TDI invites your comments on this possible amendment to §5.5002. Send your comments to ChiefClerk@tdi.texas.gov. The comment period will close at 5:00 p.m., central time, on October 8, 2020.

For more information about this possible amendment, send your questions to PropertyCasualty@tdi.texas.gov or call 512-676-6710.